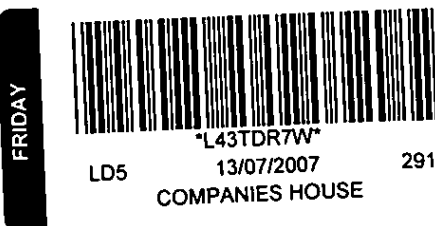


ABF Overseas Limited

**Directors' report and financial
statements**

Registered number 3313345

16 September 2006



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Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 16 September 2006

Principal activities

During the period the principal activity was the holding of shares in subsidiary companies. The principal activity of the subsidiaries was the manufacture and sale of food products.

Business review and future developments

During the period the main activity of the company remained unchanged and the directors anticipate that any future developments would be related to this activity.

The acquisition of Illovo Sugar Limited, the African cane sugar producer, was completed on 4 September 2006. The company acquired 51% of Illovo's shares for £286m, satisfied in cash.

Trading results, share issue, dividends and transfer to reserves

Loss before tax for the current financial year was £1,714,000 (2005 £12,005,000), which includes dividend income from overseas subsidiaries of £20,372,000 (2005 £4,183,000). No ordinary dividend was declared in the year (2005 Nil). £2,248,000 was transferred to reserves (2005 £318,000).

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

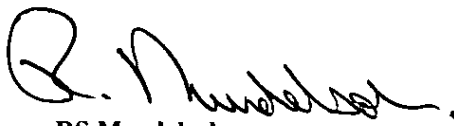
Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

Directors

The directors who held office during the period were as follows:

JG Bason
HJ Davenport
PA Russell
RS Mendelsohn

By order of the board



RS Mendelsohn
Secretary

Weston Centre
10 Grosvenor Street
London
W1K 4QY

11th July 2007

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



KPMG Audit Plc

PO Box 695
8 Salisbury Square
London EC4Y 8BB

Independent auditors' report to the members of ABF Overseas Limited

We have audited the financial statements of ABF Overseas Limited for the year ended 16 September 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 16 September 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

2007

Profit and loss account

for the year ended 16 September 2006

		52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
	Notes		
Operating costs		(19)	(848)
Operating loss		(19)	(848)
Profit on sale of fixed asset investments		-	25,597
Income from fixed asset investments	4	20,372	4,183
Profit on ordinary activities before interest		20,353	28,932
Net interest payable	5	(22,067)	(40,937)
Loss on ordinary activities before taxation		(1,714)	(12,005)
Tax on loss on ordinary activities	6	3,962	12,323
Profit on ordinary activities after taxation		2,248	318

There is no material difference between the company's results as reported and on an historical cost basis. Accordingly no note of historical cost profits and losses has been prepared.

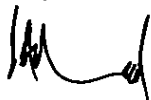
The loss on ordinary activities before taxation relates entirely to continuing activities in each period.

Balance sheet

at 16 September 2006

	Notes	16 September 2006 £000	17 September 2005 £000
Fixed assets			
Investments in subsidiaries and joint ventures	7	1,683,724	1,414,531
Other investments	8	265,957	-
		1,949,681	1,414,531
Current assets			
Debtors			
- due within one year	9	4,281	15,102
- due after one year	9	304,588	20,168
		308,869	35,270
Creditors amounts falling due within one year	10	(268,962)	(278,420)
Net current assets/(liabilities)		39,907	(243,150)
Total assets less current liabilities		1,989,588	1,171,381
Creditors amounts falling due after one year	10	(853,479)	(34,427)
Net assets		1,136,109	1,136,954
Capital and reserves			
Called-up share capital	11	1,055,000	1,055,000
Profit and loss account	12	84,202	81,954
Translation reserve	12	(3,093)	-
Shareholders' funds		1,136,109	1,136,954

These financial statements were approved by the board of directors on 11 July 2007 and were signed on its behalf by



PA Russell
Director

Statement of total recognised gains and losses

for the year ended 16 September 2006

	16 September 2006 £000	17 September 2005 £000
Profit for the financial year	2,248	318
Effect of movements in foreign exchange	(3,093)	-
Total recognised gains and losses relating to the year	(845)	318

Reconciliation of movements in shareholders' funds

for the year ended 16 September 2006

	16 September 2006 £000	17 September 2005 £000
Opening shareholders' funds	1,136,954	106,636
Profit for the financial year	2,248	318
Increase in issued equity share capital	-	1,030,000
Effect of movements in foreign exchange	(3,093)	-
Closing shareholders' funds	1,136,109	1,136,954

Notes

(forming part of the financial statements)

1 Accounting reference date

The accounting reference date of the company is the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared for the 52 week period ended 16 September 2006.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

In these financial statements the following new standards have been adopted for the first time:

- FRS 21 'Events after the balance sheet date',
- the presentation requirements of FRS 25 'Financial instruments: presentation and disclosure', and
- FRS 28 'Corresponding amounts'.

The adoption of FRS 21 'Events after the balance sheet date' has had no material effect on the financial statements.

The impact of FRS 25 'Financial instruments: presentation and disclosure' is disclosed in the financial instruments policy set out below. FRS 25 permits the corresponding amounts not to be restated and the company has adopted this approach.

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption. FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets, and in accordance with applicable United Kingdom accounting standards (UK GAAP) and the Companies Act 1985.

Under Financial Reporting Standard 1 (revised) the company is exempt from the requirement to prepare a cash flow statement because it is a wholly-owned subsidiary undertaking. A group cash flow statement is included in the financial statements of ABF Investments plc.

The company is controlled by Associated British Foods plc and is exempt from the requirement to disclose transactions with it and other group companies under Financial Reporting Standard 8 as it is a wholly owned subsidiary undertaking included in consolidated financial statements which are publicly available.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts.

Financial instruments

Under FRS 25, preference shares issued are classified as financial liabilities. Where preference shares are issued in foreign currency, the shares are revalued to local currency at each reporting date.

Under paragraph 28 of SSAP 20, the company has utilised a financial liability with a fellow subsidiary undertaking as a net investment hedge of an investment in a second subsidiary undertaking. Both the investment and the liability are revalued at each reporting date. This reduces the company's foreign exchange exposure.

Income from fixed asset investments

Dividend income is recognised on a receipts basis.

Notes (continued)

Investments in subsidiary undertakings

Investments in subsidiary undertakings are reported at cost less any provision for impairment, except for those investments hedged in accordance with paragraph 28 of SSAP 20. These investments are converted to foreign currency at inception of the hedge and then revalued at each reporting date.

Income tax

Income tax on the profit or loss for the period comprises current and deferred tax where appropriate.

Current tax is the tax expected to be payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, together with any adjustment to tax payable in respect of previous years.

Provision for deferred tax is made on all timing differences that have originated, but not reversed at the balance sheet date.

Share capital

Fully paid ordinary share capital is stated at its nominal value.

3 Directors' emoluments and auditors' remuneration

The directors received no emoluments in respect of their services to the company in the current or the previous period.

The auditors' remuneration was borne by the holding company in both the current and previous period.

4 Income from fixed asset investments

	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Income from shares in joint venture	479	711
Income from shares in group undertakings	19,893	3,472
	<u>20,372</u>	<u>4,183</u>

5 Net interest payable

	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Interest receivable		
Interest income on loans to fellow subsidiary undertakings	1,040	917
External interest income	-	515
Foreign exchange gains on financing activities	590	-
	<u>1,630</u>	<u>1,432</u>
Interest payable		
Interest expense on borrowings from parent undertaking	13,921	35,329
Interest expense on borrowings from fellow subsidiary undertakings	9,768	3,578
External interest expense	8	-
Foreign exchange losses on financing activities	-	3,462
	<u>23,697</u>	<u>42,369</u>
Net Interest payable	<u>22,067</u>	<u>40,937</u>

Notes (continued)

6 Tax on profit/(loss) on ordinary activities

(a) Analysis of credit in the period

	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Current tax credit	3,953	12,323
Adjustment in respect of prior years	9	-
	<u>3,962</u>	<u>12,323</u>

(b) Factors affecting current tax charge for the period

The tax credit assessed for the period is greater than the standard rate of corporation tax in the UK (30%) The differences are explained below

	52 week period ended 16 September 2006 £000	52 week period ended 17 September 2005 £000
Loss on ordinary activities before tax	(1,714)	(12,005)
Tax at the standard rate of corporation tax of 30% (2005 30%)	(514)	(3,601)
Expenses not deductible for tax purposes	2,673	-
Other income not subject to corporation tax	(6,112)	(8,722)
Adjustment in respect of prior years	(9)	-
Current tax credit	<u>(3,962)</u>	<u>(12,323)</u>

7 Investments in subsidiaries and joint ventures

Shares	Subsidiary undertakings £000	Joint ventures £000	Total £000
At 17 September 2005	1,409,353	5,178	1,414,531
Additions	292,533	-	292,533
Disposals	(2,821)	-	(2,821)
Effect of movements in foreign exchange	(20,519)	-	(20,519)
At 16 September 2006	<u>1,678,546</u>	<u>5,178</u>	<u>1,683,724</u>

During the year the company transferred its investment in Compania Argentina de Levadura S A I C to another group company The company acquired two new subsidiaries, a 51% interest in Illovo Sugar Limited and a 90% interest in PT AB Food & Beverages Indonesia

Notes (continued)

Principal subsidiary undertakings

	Place of incorporation or registration (if overseas)	Class of shares held	Percentage of shares held
AB Food & Beverages Australia Pty Ltd *	Australia	Ordinary	100%
PT AB Food & Beverages Indonesia	Indonesia	Ordinary	90%
AB Food & Beverages Philippines, Inc	Philippines	Ordinary	100%
AB Food & Beverages Singapore Pte Limited	Singapore	Ordinary	100%
AB Enzymes OY	Finland	Ordinary	100%
ACH Food Companies Inc *	US	Ordinary	100%
Alimentos Capullo S de R L de C V	Mexico	Ordinary	100%
Anzchem Pty Ltd *	Australia	Ordinary	100%
Beauvallet Investments Limited*	Jersey	Ordinary	100%
Food Investments Pty Limited	Australia	Ordinary	100%
George Weston Foods Limited *	Australia	Ordinary	100%
George Weston Foods (NZ) Limited *	New Zealand	Ordinary	100%
Harbin Mauri Yeast Co , Limited	China	Ordinary	100%
Illovo Sugar Limited	South Africa	Ordinary	51%
Mauri Fermentos, SA	Portugal	Ordinary	100%
Mauri Lanka (Private) Limited	Sri Lanka	Ordinary	100%
Serrol Ingredients Pty Ltd	Australia	Ordinary	100%
Shanghai AB Food & Beverages Limited*	China	Ordinary	100%
Soublier Investments Limited*	Jersey	Ordinary	100%
SPI Pharma SAS	France	Ordinary	100%
SPI Pharma Inc	US	Ordinary	100%
SPI Polyols Inc *	US	Ordinary	100%
Tone Brothers Inc	US	Ordinary	100%
Twinings North America Inc *	US	Ordinary	100%
Wander AG	Switzerland	Ordinary	100%

* Indirect investments

Principal joint ventures

Roal OY	Finland	Ordinary	50%
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In the opinion of the directors the investments in the company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet

8 Other investments

	16 September 2006 £000	17 September 2005 £000
Unlisted investments	283,382	-
Effect of movements in foreign exchange	(17,425)	-
	265,957	-

Other investments comprise a holding of USD preference shares in a fellow subsidiary undertaking. These shares form part of a net investment hedge under SSAP 20.

Notes (continued)

9 Debtors

	16 September 2006 £000	17 September 2005 £000
Amounts falling due within one year		
Group relief receivable	3,952	12,323
Amounts owed by fellow subsidiary undertakings	-	2,774
VAT	-	5
Other taxation and social security	329	-
	4,281	15,102
Amounts falling due after one year		
Amounts owed by parent undertaking	283,382	-
Amounts owed by fellow subsidiary undertakings	21,206	20,168
	304,588	20,168

The directors consider that the carrying amount of debtors approximates their fair value

10 Creditors

	16 September 2006 £000	17 September 2005 £000
Amounts falling due within one year		
Amounts owed to parent undertaking	266,462	277,806
Amounts owed to fellow subsidiary undertakings	-	6
Other taxation and social security	-	321
Accruals and deferred income	2,500	287
	268,962	278,420
Amounts falling due after one year		
Amounts owed to parent undertaking	560,520	8,798
Amounts owed to fellow subsidiary undertakings	292,959	25,629
	853,479	34,427

The directors consider that the carrying amount of creditors approximates their fair value

11 Share capital

	16 September 2006 £000	17 September 2005 £000
Authorised		
2,000,000,000 Ordinary shares of £1 each	2,000,000	2,000,000
Issued and fully paid		
2,000,000,000 Ordinary shares of £1 each	1,055,000	1,055,000

Notes (continued)

12 Reserves

	Issued capital	Translation reserve	Profit and loss account	Total
	£000	£000	£000	£000
At 17 September 2005	1,055,000	-	81,954	1,136,954
Profit for the year	-	-	2,248	2,248
Effect of movements in foreign exchange	-	(3,093)	-	(3,093)
At 16 September 2006	1,055,000	(3,093)	84,202	1,136,109

13 Contingent liabilities

The company has no outstanding guarantees provided in the ordinary course of business as at 16 September 2006 (2005 Nil)

14 Holding company

The ultimate holding company and controlling party as defined by FRS 8, is Wittington Investments Limited which is incorporated in Great Britain and registered in England and Wales

The largest group in which the results of the company are consolidated is that headed by Wittington Investments Limited. The smallest group in which they are consolidated is that headed by ABF Investments plc, which is incorporated in Great Britain and registered in England and Wales. The consolidated financial statements of these groups are available to the public and may be obtained from Companies House.